

IEG ICR Review

Independent Evaluation Group

1. Project Data:		Date Posted : 11/07/2011	
PROJ ID : P091038		Appraisal	Actual
Project Name : Artf - Rural Water Supply And Sanitation Project	Project Costs (US\$M):	5.00	6.10
Country: Afghanistan	Loan/Credit (US\$M):	5.00	6.10
Sector Board : WAT	Cofinancing (US\$M):		
Sector(s): Water supply (75%) Sanitation (25%)			
Theme(s): Rural services and infrastructure (67% - P) Pollution management and environmental health (33% - S)			
L/C Number:			
	Board Approval Date :		12/15/2005
Partners involved :	Closing Date :	06/30/2007	12/31/2009
Evaluator :	Panel Reviewer :	Group Manager :	Group:
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2. Project Objectives and Components:

a. Objectives:

The project development objectives (PDOs) in the Trust Fund Grant Agreement (GA, page 6) and the Project Appraisal Document (PAD, page) were identical as follows:

"(i) improve the health of rural communities by increasing awareness through integration of health and hygiene education with the provision of safe and sustainable water supply and sanitation services; and

(ii) strengthen and build the capacities of the central and provincial governments for sector development as well as that of NGOs, the private sector and the communities, so as to scale up the provision of sustainable water supply and sanitation services."

b. Were the project objectives/key associated outcome targets revised during implementation?

No

c. Components (or Key Conditions in the case of DPLs, as appropriate):

(A) Strengthening and capacity building of government agencies, NGOs, private sector, and the communities (Planned US\$ 1.97 million; actual US\$ 2.01 million).

This component included technical assistance (TA), the establishment and financing of the recurrent costs (on a declining scale) of the project implementation unit (PIU), monitoring and evaluation (M&E), Management Information System (MIS) and training to enhance the capacity of:

(a) The Ministry of Rural Rehabilitation and Development (MRRD) to develop national rural water supply and sanitation sector plans; implement sector policies and strategies; monitor and evaluate the sector; carry out more effective sector coordination and facilitate sector development; and streamline effective and efficient approaches to service delivery;

- (b) NGOs to assist communities to create awareness regarding health, hygiene, and sanitation education; community mobilization;
- (c) private sector to assist the communities to construct rural water supply and sanitation facilities; and
- (d) communities to take charge of their water supply and sanitation facilities and assume full O&M responsibility.

(B): Selection and construction of water points and construction of sanitary latrines including the provision of community-level health and hygiene education (Planned US\$ 5.24 million; actual US\$ 3.32 million).

The component included support for institutions and a program of civil works :

- (a) social mobilization, capacity building, awareness -creation, training, and supervision of construction activities;
- b) construction of approximately 950 water points with hand pumps, approximately 15 gravity flow piped schemes with stand posts; protection and rehabilitation of springs and existing water points, and construction of 3 demonstration latrines per water point constructed; creation of demand for, and construction of, sanitary latrines in each of the participating households as well as development of an O&M plan; and
- (c) community-based O&M system based on existing good practices in Afghanistan .

(C): Studies (Planned US\$ 0.44 million; actual US\$ 0.77 million). This component comprised funding various studies that would help identify appropriate approaches to deliver safe drinking water and sanitary latrines; develop a strategy for carrying out an effective national campaign for health and hygiene education as well as develop measures to regularly monitor water quality . The studies included :

- (a) Assessment of design parameters for service delivery to small rural towns;
- (b) Assessment of service delivery options for *Kuchis* (nomads) by consultants with long experience in working with Afghan nomads, preferably pre-war, to ensure sufficient insight into nomad lifestyle;
- (c) Study to determine a strategy for a national health, hygiene, and sanitation campaign, including the most effective means of developing coordination among different government line ministries and other stakeholders, including piloting the strategy;
- (d) Study, cognizant of regional experiences, to develop feasible sanitation strategy / approaches appropriate to Afghanistan to expeditiously expand coverage, including a pilot program;
- (e) Water quality monitoring; and
- (f) Surveys and studies leading to appropriate technology and sector development .

d. Comments on Project Cost, Financing, Borrower Contribution, and Dates:

Project Cost :

- The original project costs had been estimated to be US\$ 5.00 million. In August 2008 the size of the project was increased to include 420 additional water points, 1,260 latrines, hygiene promotion efforts in 14 districts in the same provinces, and water tankering in 3 of the 8 provinces in the project area . This was expected to increase project costs to US\$7.65 million.
- While it had been estimated that the additional work would cost US\$ 2.65 million the actual additional cost was only US\$1.23 million. The water tankering component was dropped in mid -2009 as MRRD had secured the funding to buy tankers from other sources . It had been proposed to spend the US\$ 300,000 allocated for this component to purchase a drilling rig but the bids were non -responsive and the money was not spent . Additional works proposed in Helmand province (construction of 225 water points, 400 toilets, and hygiene promotion programs in 12 villages) did not take off under the project .

Financing :

- The original Afghanistan Reconstruction Trust Fund (ARTF) allocated a grant of US\$5.00 million. The Grant Agreement was amended on December 18, 2006 to allow for community procurement. Subsequently the ARTF Management Committee approved an Additional Financing of US\$ 2.65 million on August 26, 2008. This included earmarked funds from USAID of US\$0.4 million for Musa Qala District in Helmand Province. As the implementation arrangement (separately managed by DFID) was not very clear, these activities did not take off . MRRD requested USAID to reallocate their funds . Final disbursement was US\$6.23 million. On project closing, US\$1.42 million was cancelled.

Borrower :

- The Borrower contribution was nil .

Dates :

- Due to the slow start, difficulties in finalizing responsibilities for field work that significantly slowed implementation, and difficulties in processing invoices, the original closing date of the project was extended by 30 months to December 2009.

3. Relevance of Objectives & Design:

Objectives : High

- Objectives were and remain relevant. Afghanistan signed the Millennium Declaration in 2004 and is committed to

achieve the MDG targets by 2020; MDG 7(c) aims for increase access to safe and sustainable water supply and sanitation. A baseline survey of the 2007 randomized impact evaluation of Afghanistan's National Solidarity Program (NSP) involving nearly 13,000 participants found that male heads-of-household and female respondents believe that clean drinking water facilities are of primary importance, followed by schools, and health facilities . Projects that focused on irrigation and roads and bridges were of high importance to male respondents, both at the household and focus group level, but were of lesser importance to female respondents .

- The National Policy for Water Supply and Sanitation (2004) focuses on provision of basic services of water and sanitation to all through demand responsive and sustainable approaches by strengthening community based institutions and building capacities of National and Provincial level institutions . The policy aims to achieve water supply and sanitation coverage in all villages by 2013 (at least 85% of villages and 90% of all families in those villages.) Accordingly the Afghanistan National Development Strategy (2005-2010) gives the highest priority to the provision of safe water and sanitation and improving coverage in all provinces .
- The project was relevant to the Bank's first Interim Strategy Note (FY06-08) and is highly relevant to the current Interim Strategy Note (FY09-FY11), the first pillar of which focuses on delivery of affordable and accessible services, while the second pillar aims to promote promotes growth of the rural economy, improve rural livelihoods and coordinate demand-driven rural development to improve service delivery . Project objectives are also relevant to objectives of the ARTF that is supported by 31 donor countries and administered by the Bank .

Design: Modest

- The focus on health and hygiene is relevant to the sector -wide approach adopted by MRRD in 2001. Under this initiative a Hygiene Education Technical Working Group (supported by all health-related ministries and line agencies, other international and national organization) developed the national Hygiene Education Policy (HEC) for the country in 2007. This policy targets hygienic behavior related to collection, storage and use of water, washing hands and proper use of sanitary facilities at household, community and school level . It also focuses on inter-sectoral collaboration with education and public health department, use of media at national level and inter-personal communication at community level through involvement of NGOs . The project's focus on increasing awareness was highly relevant to the HPC . The main weakness of this approach in Afghanistan was that the main health outcome objectives were too ambitious given the dearth of basic service provision and reliable baseline data. Design also took insufficient account of local conditions (e.g. the difficulty of drilling for water) and poverty constraints (e.g. many poorer families could not afford soap; and, even with a subsidy, latrines were too expensive to construct for many families).
- Institutional design had some shortcomings . The aim to strengthen the capacity of the RWSS Department in MRRD so that it could lead sector development and do away with the multiple Project Implementation Units (PIUs) for each donor was highly relevant but took insufficient account of the constraints imposed by staffing capacity in Kabul (ICR page 31). Similarly, the initial high profile given to specialist Service Organizations (SO) - an innovation transferred from RWSS programs in Nepal and used in earlier Afghan RWSS projects - proved to be less relevant because of greater government emphasis on using government agencies and communities . And compared with provincial rural rehabilitation and development engineers conversant with local needs, the SOs were very expensive and less productive . In contrast, the emphasis on including and building the capacity of Community Development Councils (CDC) and District Development Assemblies (DDAs) to facilitate user contributions and service delivery worked very well and was highly relevant .
- The precondition that Beneficiaries contribute at least 10% of the capital costs of the water supply was relevant in building their ownership of facilities constructed .

4. Achievement of Objectives (Efficacy):

According to the ICR the focus of the project's M&E efforts was on outputs and not outcomes . The ICR states (page 12) that due to lack of reliable data at appraisal, baseline values for the key indicators were not available . The reason given is that delays in starting the project diverted attention to construct water points instead of collecting baseline information.

1. Improve the health of rural communities by increasing awareness through integration of health and hygiene education with the provision of safe and sustainable water supply and sanitation services . Substantial . Improved health of rural communities .

- Health benefits attributed to the project could not be quantified (ICR page 12). Findings of an independent ex-post randomized evaluation made for the National Solidarity Program (Ex-Post Economic Analysis of National Solidarity Programme, S. Selvarajan, September 2008), (ICR page 14), provides evidence that interventions of the type supported by the project produced health benefits . This analysis included 68 subprojects benefiting 11,168 rural families spread over 91 villages that had inputs identical to those provided by this project. The incidence of water-borne diseases fell from 7% of the population to 2% and the frequency per person fell from 6 times a year to just 2. However, it is not clear from the ICR if the villages/districts supported by the project have the same characteristics as those reported by the independent evaluation and therefore actual health outcomes are uncertain . The Task team informed IEG that the project communities, inputs and

approaches are similar because this is one of the few provinces in which donors were safe to work .

Integration of health and hygiene education

- Hygiene education programs targeted women during visits to households and made them aware of the project interventions as well as of household hygiene practices . The project mobilized Community Health Workers in teams of two (a woman and a man) in collaboration with Ministry of Health to improve access to women in villages. According to the ICR (page 15) these teams reached 59,384 households (target 43,082 HHs) with 5 visits per year per HH during the project life and influenced behavioral change among 55% of individuals from the project villages.
- 1,116 hygiene promoters were trained in 8 Provinces.
- While the project promoted the simultaneous delivery of water points, hygiene, and sanitation, it provides no evidence of how effective this was on altering behaviors . Instead the ICR (page 13) states that the integrated approach "offered opportunities to rural communities to maximize safety of water at source and household levels." The Task team point out that the Knowledge, Attitude, Practice (KAP) surveys demonstrated the WASH approach was effective and that the approach has been mainstreamed by all agencies in the country . In addition, the ICR (page 21) notes: "CDCs showed willingness and commitment to the new integrated approach of water, hygiene, and sanitation, and commitment to maintain water points ."
- The ICR (page 13) reports that interventions on hygiene education brought significant change to hygiene practices, as evident from MRRD's KAP surveys that showed increases in the number individuals practicing hand-washing with soap (a 55% increase). But as the ICR notes (page 12); "the resultant health benefits, could not be quantified." An important finding also was that the "hygiene message on using soap has to be changed to provide alternative as many poorer families can't afford to buy soap" (ICR page 31). The Task team stated to IEG that "it is not within the scope of the project to quantify health benefits - the objective is more about generating awareness."

Safe water supply and sanitation

- About 35,200 people in 6,137 HH across 456 villages in 8 Provinces benefitted from the 1,190 water points (target 1,385) and 10 piped schemes (target 10) that were constructed under the project . MRRD's KAP surveys indicate a 34% increase in number of HH with improved access to water points . There are no indicators to demonstrate that water supplies were safe . The Task team responded: "there have been no indications of water not being safe as far as the project team were made aware . Water quality was tested under a UNICEF supported initiative - not under this project and so not reflected in the ICR ."
- The original target of 2,850 sanitary latrines was revised upwards in 2008. Eventually 98% of the revised target of 4,110 household latrines was achieved . Properly constructed latrines have an international track record of being safe.
- The project succeeded in the construction of targeted demonstration latrines although only one of four technical options was chosen by participants under the CDD approach . According to the ICR (page 13) there is no clear evidence to show the use of these latrines and the generation of demand . Although there was a provision for scaling-up latrine construction by using the Sanitation Revolving Fund mechanism, the PIU did not pursue this . In response, the Task team stated : " The PIU couldn't pursue sanitation revolving fund mechanism as staff available is just adequate to manage the program . The Department of WATSAN and UNICEF are actively promoting sanitation using CLS and other approaches such as revolving fund ."

Sustainable water supply and sanitation

- The project established community-based maintenance systems by training and appointing 1,190 caretakers and 38 scheme mechanics across 456 project villages at the CDC level supported by District Mechanics attached to provincial rehabilitation and reconstruction departments, financed through community contributions . Typically a trained district mechanic serviced 5-10 villages and each village had 2-3 caretakers.
- Community-based maintenance system, piloted under the project, are working . The Sector Study findings suggest that the caretakers system for water points was functional in 72% of cases. Furthermore, CDCs took the lead in 44% of cases in carrying out major repairs through community contributions and the lead time for repairs fell from 4 weeks to 1 week.

2. Strengthen and build the capacities of the central and provincial governments for sector development as well as that of NGOs, the private sector and the communities, so as to scale up the provision of sustainable water supply and sanitation services . Modest

Central and provincial governments :

- Sector planning capacity in government was not established . The Borrower's ICR (page 36) notes: "The rural water sector has been project-driven and [the] WASH [water and sanitation for health] policy of 2004 gave direction, but the overall sector planning is lacking ."
- MRRD did not develop its capacity in technical areas such as geophysical investigations, water quality monitoring, and disinfection of water sources, partly due to a lack of specialist staff and equipment . The ICR (page 17) states that no clear strategies were developed to address these areas .
- The aim to strengthen the management capacity of the MRRD for RWSS sector development was only partially

achieved. While the number of independent PIUs decreased and the RWSS Department had a greater share of sector management, the decrease in PIUs may have been also the result of other donor financed projects closing and not the result of increased sector leadership by the RWSS Department (ICR page 14).

- The capacity of the PIU to manage contracts improved . Initially the average time for processing the 43 contracts before 2007 was 2.1 months, and 4 of these were subsequently cancelled . After the Additional Financing, the average time for processing its 35 contracts was 1.3 months and none of these were cancelled .
- MRRD tested the decentralized approach for implementation using two institutional models : one with facilitation through SOs and PRRD; and the other exclusively with PRRD . The models were tested for more than a year (June 2008-December 2009). Results were inconclusive due to insufficient documentation of the performances of these models. Neither lessons nor guidance on institutional arrangements for future projects were produced .
- MRRD developed a national policy to decentralize O&M of water assets and make CDCs responsible . The ICR (page 17) notes that the policy lacks provisions for the required back -up technical support or the O&M financing to CDCs in case of major repairs or rehabilitation of existing water points . This is particularly important because institutional mechanisms and capacity in the province and districts to support such maintenance or rehabilitation is almost nonexistent due to lack of tools, staff, and funding .

NGOs:

- The SOs (e.g. CARE, and national Afghani NGOs) were expected to play a major role in implementing the project and did so. Their main role was to create CDCs or Water User Groups (WUGs) and promote WSS through advocacy, training and recruiting and managing construction partners . A major task was ensuring that facilities constructed were demand-driven and communities contributed 10% of the capital costs of water supplies. A total of 297 CDCs and 13 WUGs were formed by the project and were involved in project planning and implementation. Caretakers and scheme mechanics were trained . However, the ex-post stakeholder workshop (ICR Pages 30-32) raised a number of issues about the effectiveness of SOs . Some were reportedly keener to work around province headquarters and not in the more remote areas, and sometimes they had too few staff to cope with project demands .

Communities :

- CDCs have become effective at assisting community level planning, contracting and O&M . The ICR (page 21) notes: "CDCs showed willingness and commitment to the new integrated approach of water, hygiene, and sanitation, and commitment to maintain the water points . Some CDCs in remote areas took [a] proactive role in identifying competent construction partners and managed to complete the works ." Even so, there were some reservations about the sufficiency of technical support and quality control from SOs and other project institutions. As a result the ICR (page) reports that inferior quality hand pumps were procured by some CDCs . The Task team states that the SOs 'have been discarded and replaced with CDD approach under additional financing."

Private sector :

- The project's relationship with the private sector was primarily of the client -contractor mode with no transfer of skills.

5. Efficiency (not applicable to DPLs):

- Economic analysis was not undertaken either at appraisal or at the time of Additional Financing because of the lack of reliable data. The ICR (page 14) used the ratio of the expected average unit costs of water supply and for latrines at appraisal and on completion was used as a proxy of efficiency . Under the original Grant the average costs were expected to be about \$ 1,500; in practice this was US\$3,080. Reasons given for higher costs were the difficulties of working in the more remote and insecure areas; few contractors with a monopoly on local construction; and higher than anticipated costs of materials . Accordingly the average unit cost under Additional Financing was assumed to be \$2,894; in practice this was reduced to \$2,310.
- Recognizing that input costs were not a very good way of estimating project efficiency, the ICR then utilized the results of an independent ex-post analysis made for the National Solidarity Program (ICR page 14). The benefits reported were as follows: the time taken before the NSP to collect water was 120/days/family/year and afterwards this fell to 35 days. The family time saved allowed more time for self-income generating activities such as carpet-making. The incidence of water-borne diseases fell from 7% of the population to 2% and the frequency per person fell from 6 times a year to just 2. The Task team assured IEG that the communities assisted by the project had similar characteristics to those reported by the independent evaluation and therefore the same impacts could be expected from this project .
- According to the ICR (page 15) smaller schemes had economic rates of return above 30% but this declined with size. However, the ICR gives no indication of how many larger schemes the project included; and there is no statement of the mean or median. In response, the Task team stated that "only 10 schemes were implemented," but no additional statistical information was provided .

Overall efficiency is rated modest .

a. If available, enter the Economic Rate of Return (ERR)/Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation :

	Rate Available?	Point Value	Coverage/Scope*
Appraisal	No		
ICR estimate	No		

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome:

Project objectives were highly relevant and design was rated modest . There was significant achievement for physical targets and coverage under challenging physical and security condition . Government institutions showed only modest improvement. Overall, efficacy is rated substantial . Efficiency is rated modest.

a. Outcome Rating : Moderately Satisfactory

7. Rationale for Risk to Development Outcome Rating:

Although local ownership of project facilities appears to be high because of the tangible benefits they produce for families and communities, risk to development outcomes is nonetheless rated as significant because :

- Security risks remain high.
- Continued support will be required to make these community -based maintenance systems a part of the long-term O&M strategy.
- Government agencies remain weak in the absence of skilled technical personnel and efficient management .

a. Risk to Development Outcome Rating : Significant

8. Assessment of Bank Performance:

Quality-at-entry:

- Appraisal took place under very difficult conditions . The Bank team was able to put in place a substantially relevant demand-led project that was sensitive to local conditions and address some of the gender -concerns through the hygiene components . The team worked well with government at both policy and managerial levels. However, a full PAD document was not produced and only an abbreviated (unsigned) Project Document (PD) was produced by the Region. The PD did not report that any project alternatives were considered. According to the Task team, a full PAD was not required according to the Trust Fund framework at the time of appraisal: " Documentation requirements were also relatively simple, so IEG shouldn't evaluate according to IDA procedures, which were not required at the time of his operation ." More design attention should have been given to capacity-building for procurement and financial management of MRDD and units handling decentralized procurement. The amendment of the AFTF Agreement in 2006 to allow community-based procurement to relieve the pressure on the PIU was hence necessary, and substantially relevant. Design also underestimated the intense competition for competent specialists and staff from other donor agencies that not only affected SOs but also led to a high turnover of government staff .

Supervision :

- Implementation proved to be far more challenging than anticipated . Although there was an adequate number of supervision missions , field visits diminished in the later part of the project due to increased security concerns. In addition the weakness of implementing institutions required considerable attention to monitoring inputs and outputs, procurement and financial management . Because of these problems, the Bank team was unable to enough attention to inclusion of remote and vulnerable communities, and to piloting of alternative institutional models. Testing of decentralized delivery models for example, while piloted for more than a year (June 2008-December 2009), proved to be inconclusive because of insufficient performance reporting by the implementing agencies. Even so, the Bank team secured additional financing to pilot a CDD approach that proved successful.

a. Ensuring Quality -at-Entry: Moderately Satisfactory

b. Quality of Supervision : Satisfactory

c. Overall Bank Performance : Moderately Satisfactory

9. Assessment of Borrower Performance:

Government :

- Government had high ownership of the project and demonstrated this at the policy level through its

development of the policies for RWSS and decentralization . However, there were significant delays on meeting financial reporting obligations and fund release to the implementing agency .

Implementing Agency :

- MRRD demonstrated strong commitment to achieving the project objectives and at the same time made concerted efforts to develop the sector . However, the deteriorating security situation, and unavailability of skilled management staff constrained it from accelerating implementation in the beginning although this picked up in the later part of the project . They also lack staff with critically needed skills in areas such groundwater exploration and water quality monitoring .
- The PIU was not able to maintain its effectiveness due to frequent turnover of senior counterpart staff in the department. As the project moved into real implementation with several contracts running simultaneously, the approvals and payments became embroiled in lengthy administrative procedure . These caused payment delays and thus affected physical progress . Despite recommendations to strengthen the technical staff of the PIU (particularly procurement), this was not done and available staff and spent more time on administration than on the project issues .
- While PRRDs demonstrated their capacity to manage subprojects they did not receive adequate support from the center .
- Despite these problems, the implementing agency achieved almost all of its targets .

a. Government Performance : Moderately Satisfactory

b. Implementing Agency Performance : Moderately Satisfactory

c. Overall Borrower Performance : Moderately Satisfactory

10. M&E Design, Implementation, & Utilization:

Design:

- A Management Information System (MIS) has been developed within MRRD . The MIS was designed largely to monitor the physical and financial progress of the projects . No attention was given on the practicality of monitoring and evaluating the health outcomes and most indicators focused on inputs and outputs, not outcomes . Key performance indicators (KPIs) were: (i) percent increase in number of households with improved access to water points; (ii) percent increase in number of households with improved access to hygienic sanitation facilities; (iii) percent decrease in the prevalence of diarrheal disease morbidity among children under five years; (iv) percent increase in the number of individuals who practice hand -washing with soap at critical junctures; (v) number of Community Development Councils (CDCs) and/or elected water supply and sanitation user groups formed/ involved in project planning and implementation; (vi) increased capacity of Government agencies (central and provincial) to monitor the sector and manage contracts; and (vii) increased capacity of the local NGOs and private sector involved in social capital mobilization and in the construction of water points and sanitary latrines (total number of units /year) . Key indicator (iii) was dropped in August 2008 due to the difficulty of obtaining reliable data and the underlying issue related to attribution . Due to lack of reliable data at appraisal, baseline values for the key indicators were not available .No independent evaluation was planned for this project .

Implementation :

- The MIS generated quantitative information for most of the project input -output indicators . However, while it had been hoped that a baseline would be constructed once field work started, delays in starting the project and the resulting pressure to construct water points displaced attention to the issue . Some of the KPIs dealing with longer-term health impacts and behavioral changes could not be adequately monitored because of poor design that overlooked institutional weaknesses, lack of baselines and attribution issues . Even so, KAP Surveys were undertaken but essential health information was not collected partly because of the design issues, partly because the adverse security situation also created practical difficulties for field work .

Utilization :

- Although the submission of monthly and quarterly progress reports generally was delayed, over the project period, the quality reportedly improved .

a. M&E Quality Rating : Modest

11. Other Issues (Safeguards, Fiduciary, Unintended Positive and Negative Impacts):

Safeguards:

- The project was categorized "B" under Environment (OP4.01). Land acquisition was required for water points, reservoirs and stand posts . According to the ICR (page 8) this was either voluntarily donated or adequate compensation was paid according to the Bank's guidelines . Two concerns are raised in the ICR (1) that some project water points were installed in mosque premises and thus inaccessible to women; and (2) documentation

of land transfers was either poor or not required . Involuntary resettlement was not planned and was not reported in the ICR. There is insufficient information in the ICR to determine if the safeguard requirements were fully met . Project design was sensitive to OP4.20 Indigenous Peoples and they were targeted by the project but the ICR reports they were non-responsive to invitations to participate .

Fiduciary :

- The procurement procedures followed were transparent and competitive . However, in several instances, procurement procedures were delayed due to confusion created by the requirements of the Bank Guidelines versus Government Procurement Procedures and Practices . Procurement at the community level adhered to the guidelines given in the community procurement manual developed by the PIU and cleared by the Bank on May 6, 2008. Procurement plans and schedules were submitted as required . However, due to administrative problems payment to contractors was significantly delayed in most cases and this risks increased prices in mitigation.
- Fund flow to all implementing agencies was controlled centrally by the Ministry of Finance . It was recognized at appraisal that the financial management systems in place were weak and initially, financial reporting was poor . Monthly and quarterly financial reports—including the mandatory financial monitoring reports to be submitted quarterly to the Bank—were not prepared regularly and did not contain all the required information . However, according to the ICR (pages 8,9) financial reporting improved considerably over the life of the project and supporting documents were maintained satisfactorily for all payments . A financial management review was done in April 2010, which included a transaction review of the expenditures up to March 31, 2010 of the project. The review had no key issues . During the life of the project all four Audit Reports had issues but, apart from the first, subsequent auditors' opinions were unqualified . All Audit were eventually rated satisfactory to the bank .The final Audit is not yet due .

12. Ratings :	ICR	IEG Review	Reason for Disagreement / Comments
Outcome:	Moderately Satisfactory	Moderately Satisfactory	
Risk to Development Outcome:	Significant	Significant	The ICR reports "substantial."
Bank Performance :	Satisfactory	Moderately Satisfactory	Underestimated capacity-building needs within the government RWSS agencies, especially for finance and procurement.
Borrower Performance :	Moderately Satisfactory	Moderately Satisfactory	
Quality of ICR :		Satisfactory	

NOTES:

- When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.
- The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate .

13. Lessons:

Conflict between emergency and long term sustainability . There is frequently a difficulty in balancing, on the one hand, quick service delivery, which is required in an emergency situation, particularly in the midst of conflict, and providing for sustainability on the other hand . This project was an example of this difficulty . Unless this trade-off and its consequences are clearly understood and communicated by the Government, there is a danger that sustainability will be neglected due to the high priority given to emergency reconstruction .

Packaging water and sanitation improvements together with hygiene education increases the potential for public health improvements . Simultaneous delivery of these services is highly relevant for Afghanistan, where access is poor and mortality among children is high due to water -borne diseases. Increasing the coverage and access to these services is important and urgent . However, in Afghanistan, unless the capacity of Government and other institutions is built to operate effectively and the decentralization approach continues to be strengthened, increased coverage and access will not happen . This could be bolstered by putting a greater emphasis on community-based maintenance systems that proved successful under the project .

Recruitment process of key staff should be an effectiveness condition . Delayed project start-up could have been avoided if recruitment of key staff, such as the project manager, had been done early . The long lead time for countries whose security situation is not stable must be taken into account .

14. Assessment Recommended? Yes No

Why? This project had some challenging implementation problems related to the first lesson . It is of considerable interest to see how this has evolved and make comparisons with other RWSS projects developed in response to emergency situations.

15. Comments on Quality of ICR:

The ICR comprehensively describes the project and the unique difficulties of operating in a conflict -affected country for both the PCU and the Bank . This may explain why some key indicators were not tracked . There could have been more discussion of the reliability of M&E . The discussion of the problems faced local project implementers, supplemented by the findings of the stakeholder workshop, provide good insight into the institutional challenges faced by the project.

a.Quality of ICR Rating : Satisfactory